

Senate Study Bill 1020

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
BUSINESS AND LABOR RELATIONS
BILL BY CHAIRPERSON SCHUERER)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act modifying workers' compensation laws and providing an
2 effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1413SC 80
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1 1 Section 1. Section 85.28, Code 2003, is amended to read as
1 2 follows:
1 3 85.28 BURIAL EXPENSE.
1 4 When death ensues from the injury, the employer shall pay
1 5 the reasonable expenses of burial of such employee, not to
1 6 exceed ~~five~~ seven thousand ~~five hundred~~ dollars, which shall
1 7 be in addition to other compensation or any other benefit
1 8 provided for in this chapter.
1 9 Sec. 2. Section 85.38, subsection 2, unnumbered paragraph
1 10 2, Code 2003, is amended to read as follows:
1 11 If an employer denies liability under this chapter, chapter
1 12 85A, or chapter 85B, for payment for any medical services
1 13 ~~received requested or weekly compensation claimed by an~~
1 14 ~~employee with a disability~~, and the employee is a beneficiary
1 15 under either an individual or group plan for nonoccupational
1 16 illness, injury, or disability, the nonoccupational plan shall
1 17 not deny payment ~~for the medical services received of benefits~~
1 18 ~~under the plan on the basis that the employer's liability for~~
1 19 ~~the medical services~~ under this chapter, chapter 85A, or
1 20 chapter 85B is unresolved.
1 21 Sec. 3. Section 85.48, Code 2003, is amended to read as
1 22 follows:
1 23 85.48 PARTIAL COMMUTATION.
1 24 When partial commutation is ordered, the workers'
1 25 compensation commissioner shall fix the lump sum to be paid at
1 26 an amount which will equal the future payments for the period
1 27 commuted, capitalized at their present value upon the basis of
1 28 interest at the rate provided in section 535.3 for court
1 29 judgments and decrees, ~~with provisions. Provisions shall be~~
1 30 ~~made for the payment of weekly compensation not included in~~
1 31 ~~the commutation, subject to the law applicable to such unpaid~~
1 32 ~~weekly payments, with all remaining payments, if any, to be~~
1 33 ~~paid at over the same period of time as though the commutation~~
1 34 ~~had not been made by either eliminating weekly payments from~~
1 35 ~~the first or last part of the payment period or by a pro rata~~
2 1 ~~reduction in the weekly benefit amount over the entire payment~~
2 2 ~~period.~~
2 3 Sec. 4. Section 85.65A, subsection 5, Code 2003, is
2 4 amended to read as follows:
2 5 5. This section is repealed July 1, ~~2003~~ 2008.
2 6 Sec. 5. Section 86.42, Code 2003, is amended to read as
2 7 follows:
2 8 86.42 JUDGMENT BY DISTRICT COURT ON AWARD.
2 9 Any party in interest may present a ~~certified~~ file=stamped
2 10 copy of an order or decision of the commissioner, from which a
2 11 timely petition for judicial review has not been filed or if
2 12 judicial review has been filed, which has not had execution or
2 13 enforcement stayed as provided in section 17A.19, subsection
2 14 5, or an order or decision of a deputy commissioner from which
2 15 a timely appeal has not been taken within the agency and which
2 16 has become final by the passage of time as provided by rule
2 17 and section 17A.15, or an agreement for settlement approved by
2 18 the commissioner, and all papers in connection therewith, to
2 19 the district court where judicial review of the agency action
2 20 may be commenced. The court shall render a decree or judgment
2 21 and cause the clerk to notify the parties. The decree or
2 22 judgment, in the absence of a petition for judicial review or

2 23 if judicial review has been commenced, in the absence of a
2 24 stay of execution or enforcement of the decision or order of
2 25 the workers' compensation commissioner, or in the absence of
2 26 an act of any party which prevents a decision of a deputy
2 27 workers' compensation commissioner from becoming final, has
2 28 the same effect and in all proceedings in relation thereto is
2 29 the same as though rendered in a suit duly heard and
2 30 determined by the court.

2 31 Sec. 6. Section 86.43, Code 2003, is amended to read as
2 32 follows:

2 33 86.43 JUDGMENT == MODIFICATION ~~OF~~.

2 34 Upon the presentation to the court of a certified file=
2 35 stamped copy of a decision of the workers' compensation
3 1 commissioner, ending, diminishing, or increasing the
3 2 compensation under the provisions of this chapter, the court
3 3 shall revoke or modify the decree or judgment to conform to
3 4 such decision.

3 5 Sec. 7. Section 87.8, Code 2003, is amended to read as
3 6 follows:

3 7 87.8 INSOLVENCY CLAUSE PROHIBITED.

3 8 ~~No~~ A policy of insurance issued under this chapter shall
3 9 not contain any provision relieving the insurer from payment
3 10 if the insured becomes insolvent or discharged in bankruptcy
3 11 during the period that the policy is in operation, or the
3 12 compensation, or any part of it, is unpaid notwithstanding any
3 13 deductible that is provided for in the policy.

3 14 Sec. 8. EFFECTIVE DATE. The amendment to section 85.65A,
3 15 subsection 5, in this Act, being deemed of immediate
3 16 importance, takes effect upon enactment.

3 17 EXPLANATION

3 18 This bill amends several provisions relating to workers'
3 19 compensation law in Iowa. Code section 85.28 is amended to
3 20 raise the maximum amount an employer is required to pay for
3 21 reasonable burial expenses of an employee from \$5,000 to
3 22 \$7,500.

3 23 Code section 85.38, subsection 2, is amended to provide
3 24 that weekly wage replacement benefits for an injured worker
3 25 will be treated the same as medical benefits so that if an
3 26 employee has both group disability and workers' compensation
3 27 coverage but the employer denies workers' compensation
3 28 coverage, the group disability carrier will pay benefits to
3 29 the injured employee until the workers' compensation liability
3 30 is resolved without prejudicing the rights of either the
3 31 employer or the employee.

3 32 Code section 85.48 is amended to provide, in a partial
3 33 commutation of benefits, an option to pay the claimant's
3 34 remaining weekly payments either by eliminating weekly
3 35 payments from the first or last part of the payment period or
4 1 by reducing the weekly benefit amount on a pro rata basis over
4 2 the entire payment period.

4 3 The bill changes the repeal date of Code section 85.65A,
4 4 which imposes a surcharge on employers for the second injury
4 5 fund, from July 1, 2003, to July 1, 2008. This amendment
4 6 takes effect upon the bill's enactment.

4 7 Code sections 86.42 and 86.43 are amended to provide that a
4 8 party may present a file=stamped copy instead of a certified
4 9 copy of an order or decision of the workers' compensation
4 10 commissioner to the district court to obtain a judgment on an
4 11 award of workers' compensation benefits.

4 12 Code section 87.8 is amended to provide that if an employer
4 13 becomes insolvent or is discharged in bankruptcy, the
4 14 insurance carrier that issued the employer's workers'
4 15 compensation policy is responsible for all liability to an
4 16 injured employee pursuant to the insurance policy even if the
4 17 policy contains a deductible.

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